

PressRelease

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US WEST freed to compete for high-speed communications business

OLYMPIA, Wash.--Customers in metropolitan areas of Seattle, Bellevue and Spokane have enough choices in providers of high-speed communications services to justify relaxing regulation of US West in those markets, state regulators ruled today.

The Washington Utilities and Transportation Commission determined that the provision of high-speed voice, data and video lines, known as DS-1 and, DS-3, in five urban areas of Washington is competitive. The commission's order allows US West greater freedom in changing the prices it charges for those services.

"We find competition for high-capacity circuits sufficiently robust in these areas to allow US West to join the competition, to relieve US West from price regulation of these services, and to let the competitive market work to determine prices," the commissioners stated.

The decision only applies to high-capacity services and does not apply to basic residential and business telephone services. High-capacity services are generally used by medium to large businesses.

DS-1 service is capable of carrying the equivalent of 24 simultaneous voice conversations or data at speeds of nearly 1.54 megabits per second. DS-3 service is 28 times more powerful than DS-1.

The competitive areas for DS-1 & DS-3 are downtown Seattle, the Duwamish area including Boeing Field, University of Washington, including the neighborhood of Wallingford, downtown Bellevue and downtown Spokane.



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The commission found that at least 13 different providers of high-capacity telephone services market their services to one or more of the areas affected by the order. Many of these alternative providers use their own wires and equipment while others resell US West wholesale services. In its order, the commission noted that US West's market share of the high-speed communications business in those areas ranged from 33 to 88 percent.

This is the first time the commission has looked at a market size smaller than the state in determining whether competition exists. In previous orders, the commission granted regulatory relief to US West after finding statewide its customers have a competitive choice in long-distance and directory assistance services.

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